

October 1974

MEMORANDUM

CIA Policy Support on US-LDC Trade Relations

The CIA Office of Economic Research (OER) is responsible for providing intelligence support on US-LDC trade matters. Much of the research effort in support of US policy interests is concentrated on countries in the Middle East, South Asia, and Latin America and on critical commodities such as petroleum, grain, and nonferrous metals. LDC trade relations with other developed nations and with Communist countries that directly or indirectly impact on the United States also are covered.

Support materials range from statistical data and background briefings to more detailed studies on individual countries and commodities. This support is provided in a variety of forms depending on consumer requirements and the extent of policy interest. Consumers include working-level and policy officials throughout the economic community in Washington as well as Congressmen, their staffs, and Congressional committees.

Area and Commodity Coverage

OER's work on US-LDC trade related issues is an integral part of its research effort on individual LDCs and on the production and trade, worldwide, of critical commodities. Because of competing priorities, coverage of the less developed world varies substantially from area-to-area and within areas. Research is concentrated on countries of major interest to the United States by virtue of their importance as a market for US exports or capital, as a major source of raw materials, as a swing factor in world demand for critical commodities, or because of their importance as a political/military force. LDC trade also is viewed in the context of

relations with other developed countries and with the Communist world, principally the USSR and China. Since the mid-1950's, when Communist countries first began to expand their economic relations with the LDCs, OER has been the focal point for research on Communist economic and military aid and trade activities.

Aggregate measures of national and international economic activity are followed for most countries in the Middle East, South Asia, and Latin America. More detailed research is done on a few key economic sectors -- usually agriculture, extractive industries, and manufacturing -- and on development plans, budgets, trade, and balance of payments. Complementing this country analysis are functional units that are responsible for following, on a worldwide basis, energy, agriculture, and important raw materials.

Research coverage of most African countries and many of the smaller countries in East Asia is less extensive. Files and analytical capabilities, however, are maintained at a level adequate to respond to ad hoc questions on current issues.

Consumers

Policy support on US-LDC trade relations takes a variety of forms, dictated in large part by consumer needs and interests.

- Oral and written background briefings are provided to Cabinet members and other senior officials as well as to members of Congress, their staffs, and Congressional committees.
- Typescript memoranda are prepared in response to specific requests from working-level and policy officials in State, Treasury, Agriculture, Commerce, CIEP, STR, OMB, and the Export-Import Bank.

- Contributions are made to interagency studies chaired by the NSC Staff, State, and CIEP.
- Intelligence memoranda and reports are published on trade issues of general interest and are disseminated to a wide range of consumers. These memoranda and reports are prepared either in response to specific requests or are self-initiated in order to bring important issues and findings to the attention of policy officials.
- Weekly publications are prepared on international oil and foreign economic developments. These publications cover a wide range of current topics as well as summaries of recent research findings and are disseminated to senior officials in State, Treasury, Commerce, STR, CIEP, and the NSC Staff.

Approved For Release 2002/01/03 : CIA-RDP80B01495R000800060019-8
MEMORANDUM FOR: Acting DDI

The attached is an Unclassified memorandum that you asked for in connection with the GAO request for a description of CIA policy support on US-LDC trade relations.

STATINTL


Deputy Director
Economic Research

4 Oct 74
(DATE)

FORM NO. 101 REPLACES FORM 10-101
1 AUG 54 WHICH MAY BE USED.

(47)

~~SECRET~~
File: GAO

Mr. Michael Lambert
MEMORANDUM FOR: General Accounting Office
Room 7087, Main Commerce

Attached is the memorandum I promised
you describing CIA policy support on questions
relating to trade relations between the US and
LDC's.

[REDACTED] STATINTL

Paul V. Walsh
Associate Deputy Director
for Intelligence

Attachment 25 October 1974
(DATE)

FORM NO. 101 REPLACES FORM 10-101
1 AUG 54 WHICH MAY BE USED. (47)

Attachment: Memorandum entitled, CIA Policy Support on US-LDC
Trade Relations

Distribution:

Original Blue Note w/att - Addressee

1 - D/OER

1 - St/P/OER [REDACTED]

STATINTL

① - DDI (File: GAO)

1 - ADDI Chrono

Date: 11 November 1974

TO : Mr. Walsh

FROM : Neil

SUBJECT: GAO Request for Discussions with OER Analysts

I have turned this off

STATINTL

William Edmundson, International Division, GAO (phone 129-5507), called on 5 November (having first checked with and obtained my name from [REDACTED]). He asks whether his people can have background talks with OER analysts in connection with two projects:

STATINTL

a) A paper on the question of gold sales to US individuals. Someone at State suggested it would be useful to talk to [REDACTED] to get a basic appreciation of the international gold market. GAO files have little on this. The paper is for GAO internal use, and has not been requested by anyone in Congress.

b) A paper on foreign investment in the US. This project is at the request of several Congressional consumers, but here again what GAO wants from us is a general background discussion on money markets. Focus is not on petrodollars, but if someone were also conversant with that subject it would be helpful.

Edmundson says in the past, when he has had more elaborate requests, he has put them in writing for your approval. He will be happy to do so in this case, if you think necessary.

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OFFICE OF THE DD/

DATE: 7 Nov 74

TO: Mr. Proctor (~~info Neil~~) (*Prw has in Hold*)

FROM: Ben *Ben*

SUBJECT: GAO Request

File: GAO

REMARKS:

A Mr. Hunter, GAO liaison, called Mr. Walsh to convey a GAO request. The call was bucked to me.

GAO's call is prompted by a request from Senator Percy to GAO for information on CIA, such as total budget and personnel figures.

What Mr. Hunter wants is to send out several people to chat about the Percy request--
in terms of what information would be available-- before submitting a formal written request.

e Mr. Hunter would like us to call Mr. Blecki, GAO Assistant Regional Manager, with a response, preferably prior to COB today. Mr. Blecki's number is 557-2151.

What action?

STATINTL



ACTION